

Fill in this information to identify the case:

Debtor Name SKS Construction, Inc.

United States Bankruptcy Court for the: Eastern District of Virginia ☐

Case number: 21-31862

☐ Check if this is an amended filing

Official Form 425C

Monthly Operating Report for Small Business Under Chapter 11

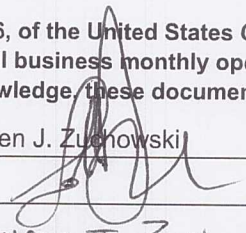
12/17

Month: August 2021 Date report filed: 09/21/2021
MM / DD / YYYY

Line of business: Excavation Contractor NAISC code: 238912

In accordance with title 28, section 1746, of the United States Code, I declare under penalty of perjury that I have examined the following small business monthly operating report and the accompanying attachments and, to the best of my knowledge, these documents are true, correct, and complete.

Responsible party: Steven J. Zuchowski

Original signature of responsible party: 

Printed name of responsible party: Steven J. Zuchowski

1. Questionnaire

Answer all questions on behalf of the debtor for the period covered by this report, unless otherwise indicated.

Yes No N/A

If you answer No to any of the questions in lines 1-9, attach an explanation and label it Exhibit A.

- | | | | |
|--|-------------------------------------|--------------------------|-------------------------------------|
| 1. Did the business operate during the entire reporting period? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you plan to continue to operate the business next month? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Have you paid all of your bills on time? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Did you pay your employees on time? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Have you deposited all the receipts for your business into debtor in possession (DIP) accounts? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Have you timely filed your tax returns and paid all of your taxes? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Have you timely filed all other required government filings? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are you current on your quarterly fee payments to the U.S. Trustee or Bankruptcy Administrator? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Have you timely paid all of your insurance premiums? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If you answer Yes to any of the questions in lines 10-18, attach an explanation and label it Exhibit B.

- | | | | |
|---|--------------------------|-------------------------------------|--------------------------|
| 10. Do you have any bank accounts open other than the DIP accounts? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Have you sold any assets other than inventory? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. Have you sold or transferred any assets or provided services to anyone related to the DIP in any way? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. Did any insurance company cancel your policy? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Did you have any unusual or significant unanticipated expenses? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. Have you borrowed money from anyone or has anyone made any payments on your behalf? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16. Has anyone made an investment in your business? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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17. Have you paid any bills you owed before you filed bankruptcy? ☐ ☒ ☐
18. Have you allowed any checks to clear the bank that were issued before you filed bankruptcy? ☐ ☒ ☐

2. Summary of Cash Activity for All Accounts

19. Total opening balance of all accounts

This amount must equal what you reported as the cash on hand at the end of the month in the previous month. If this is your first report, report the total cash on hand as of the date of the filing of this case.

\$ 55,505.71

20. Total cash receipts

Attach a listing of all cash received for the month and label it *Exhibit C*. Include all cash received even if you have not deposited it at the bank, collections on receivables, credit card deposits, cash received from other parties, or loans, gifts, or payments made by other parties on your behalf. Do not attach bank statements in lieu of *Exhibit C*.

Report the total from *Exhibit C* here.

\$ 81,618.82

21. Total cash disbursements

Attach a listing of all payments you made in the month and label it *Exhibit D*. List the date paid, payee, purpose, and amount. Include all cash payments, debit card transactions, checks issued even if they have not cleared the bank, outstanding checks issued before the bankruptcy was filed that were allowed to clear this month, and payments made by other parties on your behalf. Do not attach bank statements in lieu of *Exhibit D*.

Report the total from *Exhibit D* here.

- \$ 119,446.50

22. Net cash flow

Subtract line 21 from line 20 and report the result here.

This amount may be different from what you may have calculated as *net profit*.

+ \$ -37,827.68

23. Cash on hand at the end of the month

Add line 22 + line 19. Report the result here.

Report this figure as the *cash on hand at the beginning of the month* on your next operating report.

This amount may not match your bank account balance because you may have outstanding checks that have not cleared the bank or deposits in transit.

= \$ 17,678.03

3. Unpaid Bills

Attach a list of all debts (including taxes) which you have incurred since the date you filed bankruptcy but have not paid. Label it *Exhibit E*. Include the date the debt was incurred, who is owed the money, the purpose of the debt, and when the debt is due. Report the total from *Exhibit E* here.

24. Total payables

(*Exhibit E*)

\$ 45,444.92

Debtor Name SKS Construction, Inc.

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4. Money Owed to You

Attach a list of all amounts owed to you by your customers for work you have done or merchandise you have sold. Include amounts owed to you both before, and after you filed bankruptcy. Label it *Exhibit F*. Identify who owes you money, how much is owed, and when payment is due. Report the total from *Exhibit F* here.

25. Total receivables \$ 453,013.62
(Exhibit F)

5. Employees

26. What was the number of employees when the case was filed? 10
27. What is the number of employees as of the date of this monthly report? 12

6. Professional Fees

28. How much have you paid this month in professional fees related to this bankruptcy case? \$ 0.00
29. How much have you paid in professional fees related to this bankruptcy case since the case was filed? \$ 0.00
30. How much have you paid this month in other professional fees? \$ 0.00
31. How much have you paid in total other professional fees since filing the case? \$ 0.00

7. Projections

Compare your actual cash receipts and disbursements to what you projected in the previous month. Projected figures in the first month should match those provided at the initial debtor interview, if any.

	Column A		Column B		Column C
	Projected	—	Actual	=	Difference
	Copy lines 35-37 from the previous month's report.		Copy lines 20-22 of this report.		Subtract Column B from Column A.
32. Cash receipts	\$ <u>227,755.75</u>	—	\$ <u>81,618.82</u>	=	\$ <u>146,136.93</u>
33. Cash disbursements	\$ <u>191,230.27</u>	—	\$ <u>119,446.50</u>	=	\$ <u>71,783.77</u>
34. Net cash flow	\$ <u>36,525.48</u>	—	\$ <u>-37,827.68</u>	=	\$ <u>-1,302.20</u>
35. Total projected cash receipts for the next month:					\$ <u>397,184.72</u>
36. Total projected cash disbursements for the next month:					- \$ <u>220,500.00</u>
37. Total projected net cash flow for the next month:					= \$ <u>176,684.72</u>

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8. Additional Information

If available, check the box to the left and attach copies of the following documents.

- ☒ 38. Bank statements for each open account (redact all but the last 4 digits of account numbers).
- ☐ 39. Bank reconciliation reports for each account.
- ☐ 40. Financial reports such as an income statement (profit & loss) and/or balance sheet.
- ☐ 41. Budget, projection, or forecast reports.
- ☒ 42. Project, job costing, or work-in-progress reports.

**FOR INQUIRIES CALL: FREDERICKSBURG PLANK RD
(540) 374-1563**

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SKS CONSTRUCTION INC
DEBTOR IN POSSESSION CASE #21-31862
STEVEN ZUCHOWSKI, TRUSTEE
GENERAL ACCOUNT
10900 HOUSER DR
FREDERICKSBURG VA 22408-2452

ACCOUNT TYPE	
M&T SIMPLE CHECKING FOR BUSINESS	
ACCOUNT NUMBER	STATEMENT PERIOD
XXXXXXXXXX9432	08/01/21 - 08/31/21
BEGINNING BALANCE	\$71,497.84
DEPOSITS & CREDITS	81,618.82
LESS CHECKS & DEBITS	119,196.67
LESS SERVICE CHARGES	0.00
ENDING BALANCE	\$33,919.99

ACCOUNT ACTIVITY

POSTING DATE	TRANSACTION DESCRIPTION	DEPOSITS & OTHER CREDITS (+)	WITHDRAWALS & OTHER DEBITS (-)	DAILY BALANCE
08/01/2021	BEGINNING BALANCE			\$71,497.84
08/02/2021	SPOTSylvania CO GOVSERVICE 0898781		\$13.00	
08/02/2021	ATT Payment 524467003MYW9W		610.00	
08/02/2021	Quarles Petr1837 PAYMENT 933812		656.71	
08/02/2021	CHECK NUMBER 3009		23.47	
08/02/2021	CHECK NUMBER 3012		6,335.00	
08/02/2021	CHECK NUMBER 3020		11.58	63,848.08
08/03/2021	DEPOSIT	\$3,312.00		
08/03/2021	CHECK NUMBER 3010		56.23	
08/03/2021	CHECK NUMBER 3016		191.70	
08/03/2021	CHECK NUMBER 3019		300.12	
08/03/2021	CHECK NUMBER 3021		4,606.37	
08/03/2021	CHECK NUMBER 3023		1,950.00	60,055.66
08/04/2021	CHECK NUMBER 3014		94.77	
08/04/2021	CHECK NUMBER 3015		150.00	
08/04/2021	CHECK NUMBER 3026		2,825.56	56,985.33
08/05/2021	CHECK NUMBER 3017		105.22	56,880.11
08/06/2021	ATT Payment 140843003MYW9O		1,238.33	
08/06/2021	CHECK NUMBER 3018		1,068.33	54,573.45
08/09/2021	DEPOSIT	49,850.75		
08/09/2021	In Branch Transfer/Withdrawal		20,500.00	
08/09/2021	Quarles Petr1837 PAYMENT 933812		886.72	
08/09/2021	CHECK NUMBER 3022		175.00	
08/09/2021	CHECK NUMBER 3025		41.91	
08/09/2021	CHECK NUMBER 3027		2,500.00	
08/09/2021	CHECK NUMBER 3028		84.18	80,236.39
08/11/2021	ANTHEM VA INSUR PREM 547M57783		2,693.00	
08/11/2021	CHECK NUMBER 3013		4,212.00	73,331.39
08/12/2021	CHECK NUMBER 3032		1,122.00	
08/12/2021	CHECK NUMBER 3033		1,260.00	70,949.39
08/13/2021	CHECK NUMBER 3031		895.03	70,054.36
08/16/2021	Intuit QuickBooks 0751152		118.20	
08/16/2021	Quarles Petr1837 PAYMENT 933812		544.77	
08/16/2021	CHECK NUMBER 3034		1,767.61	67,623.78
08/17/2021	DEPOSIT	25,656.07		

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FOR INQUIRIES CALL: FREDERICKSBURG PLANK RD
(540) 374-1563



SKS CONSTRUCTION INC
DEBTOR IN POSSESSION CASE #21-31862

ACCOUNT TYPE	
M&T SIMPLE CHECKING FOR BUSINESS	
ACCOUNT NUMBER	STATEMENT PERIOD
9432	08/01/21 - 08/31/21

ACCOUNT ACTIVITY

POSTING DATE	TRANSACTION DESCRIPTION	DEPOSITS & OTHER CREDITS (+)	WITHDRAWALS & OTHER DEBITS (-)	DAILY BALANCE
08/17/2021	In Branch Transfer/Withdrawal		8,322.97	
08/17/2021	CHECK NUMBER 3035		1,400.00	
08/17/2021	CHECK NUMBER 3037		50.80	83,506.08
08/18/2021	CHECK NUMBER 3029		734.41	82,771.67
08/19/2021	In Branch Transfer/Withdrawal		23,431.31	
08/19/2021	CHECK NUMBER 3036		3,000.00	
08/19/2021	CHECK NUMBER 3039		188.99	56,151.37
08/20/2021	FEDERAL EXPRESS DEBIT EPA93430770		22.73	
08/20/2021	FORD CREDIT AUTO PYMT 19428088081921		728.76	
08/20/2021	FORD CREDIT AUTO PYMT 19428192081921		754.20	
08/20/2021	FORD CREDIT AUTO PYMT 19428123081921		822.58	
08/20/2021	FORD CREDIT AUTO PYMT 19428029081921		829.15	
08/20/2021	FORD CREDIT AUTO PYMT 19428058081921		889.10	
08/20/2021	CHECK NUMBER 3038		1,500.00	
08/20/2021	CHECK NUMBER 3040		14.80	
08/20/2021	CHECK NUMBER 3041		400.00	
08/20/2021	CHECK NUMBER 3042		67.60	
08/20/2021	CHECK NUMBER 3043		2,000.00	48,122.45
08/23/2021	Quarles Petr1837 PAYMENT 933812		660.86	47,461.59
08/26/2021	DEPOSIT	2,800.00		
08/26/2021	In Branch Transfer/Withdrawal		9,847.29	
08/26/2021	VERIZON VZ BillPay 8503855860001		325.16	40,089.14
08/27/2021	CHECK NUMBER 3052		5,400.00	34,689.14
08/30/2021	Quarles Petr1837 PAYMENT 933812		769.15	33,919.99
	NUMBER OF DEPOSITS/CHECKS PAID	4	33	

DEPOSIT ACCOUNT CUSTOMERS - WE HAVE REVISED OUR COMMERCIAL DEPOSIT ACCOUNT AGREEMENT ("CDAA"). EFFECTIVE SEPTEMBER 16, 2021, YOUR USE OF COMMERCIAL DEPOSIT ACCOUNTS WILL BE GOVERNED BY THE REVISED CDAA. TO REVIEW ADDITIONAL DETAILS AND THE REVISED CDAA, VISIT MTB.COM/CDAA.

FOR INQUIRIES CALL: FREDERICKSBURG PLANK RD
(540) 374-1563

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SKS CONSTRUCTION INC
DEBTOR IN POSSESSION CASE # 21-31862
STEVEN ZUCHOWSKI, TRUSTEE
PAYROLL
10900 HOUSER DR
FREDERICKSBURG VA 22408-2452

ACCOUNT TYPE	
M&T SIMPLE CHECKING FOR BUSINESS	
ACCOUNT NUMBER	STATEMENT PERIOD
9424	08/01/21 - 08/31/21
BEGINNING BALANCE	\$17,506.78
DEPOSITS & CREDITS	62,101.57
LESS CHECKS & DEBITS	78,700.37
LESS SERVICE CHARGES	0.00
ENDING BALANCE	\$907.98

ACCOUNT ACTIVITY

POSTING DATE	TRANSACTION DESCRIPTION	DEPOSITS & OTHER CREDITS (+)	WITHDRAWALS & OTHER DEBITS (-)	DAILY BALANCE
08/01/2021	BEGINNING BALANCE			\$17,506.78
08/02/2021	CHECK NUMBER 50013		\$3,076.83	
08/02/2021	CHECK NUMBER 50014		1,423.80	
08/02/2021	CHECK NUMBER 50023		3,367.55	
08/02/2021	CHECK NUMBER 50024		1,423.80	8,214.80
08/03/2021	OUTGOING FEDWIRE FUNDS TRANSFER BRANCH ADP		7,552.03	662.77
08/09/2021	In Branch Transfer/Deposit	\$20,500.00		
08/09/2021	CHECK NUMBER 50022		162.44	
08/09/2021	CHECK NUMBER 50033		162.44	
08/09/2021	CHECK NUMBER 50037		2,117.79	
08/09/2021	CHECK NUMBER 50038		823.05	
08/09/2021	CHECK NUMBER 50039		2,540.12	
08/09/2021	CHECK NUMBER 50040		520.07	
08/09/2021	CHECK NUMBER 50041		2,016.91	
08/09/2021	CHECK NUMBER 50042		2,860.67	
08/09/2021	CHECK NUMBER 50043		1,111.48	
08/09/2021	CHECK NUMBER 50044		3,103.28	5,744.52
08/10/2021	CHECK NUMBER 50034		3,367.54	
08/10/2021	CHECK NUMBER 50035		1,423.80	953.18
08/13/2021	ADP PAYROLL FEES ADP - FEES 2RV55 5919879		117.23	835.95
08/17/2021	In Branch Transfer/Deposit	8,322.97		9,158.92
08/18/2021	OUTGOING FEDWIRE FUNDS TRANSFER ADP		8,322.97	835.95
08/19/2021	In Branch Transfer/Deposit	23,431.31		24,267.26
08/20/2021	ADP PAYROLL FEES ADP - FEES 2RV55 8185100		10.00	
08/20/2021	CHECK NUMBER 50052		2,401.56	
08/20/2021	CHECK NUMBER 50053		1,716.94	20,138.76
08/23/2021	CHECK NUMBER 50050		2,248.59	
08/23/2021	CHECK NUMBER 50054		2,128.93	
08/23/2021	CHECK NUMBER 50055		2,950.17	
08/23/2021	CHECK NUMBER 50056		1,826.66	10,984.41
08/24/2021	CHECK NUMBER 50047		3,367.54	
08/24/2021	CHECK NUMBER 50048		1,523.80	6,093.07
08/25/2021	CHECK NUMBER 50051		1,639.70	4,453.37

FOR INQUIRIES CALL: FREDERICKSBURG PLANK RD
(540) 374-1563



SKS CONSTRUCTION INC
DEBTOR IN POSSESSION CASE # 21-31862

ACCOUNT TYPE	
M&T SIMPLE CHECKING FOR BUSINESS	
ACCOUNT NUMBER	STATEMENT PERIOD
000129424	08/01/21 - 08/31/21

ACCOUNT ACTIVITY

POSTING DATE	TRANSACTION DESCRIPTION	DEPOSITS & OTHER CREDITS (+)	WITHDRAWALS & OTHER DEBITS (-)	DAILY BALANCE
08/26/2021	In Branch Transfer/Deposit	9,847.29		14,300.66
08/27/2021	OUTGOING FEDWIRE FUNDS TRANSFER ADP		9,847.29	
08/27/2021	ADP PAYROLL FEES ADP - FEES 2RV55 2550331		117.23	
08/27/2021	CHECK NUMBER 50046		162.44	
08/27/2021	CHECK NUMBER 50057		3,103.28	
08/27/2021	CHECK NUMBER 50059		162.44	907.98
	NUMBER OF DEPOSITS/CHECKS PAID	4	28	

DEPOSIT ACCOUNT CUSTOMERS - WE HAVE REVISED OUR COMMERCIAL DEPOSIT ACCOUNT AGREEMENT ("CDAA"). EFFECTIVE SEPTEMBER 16, 2021, YOUR USE OF COMMERCIAL DEPOSIT ACCOUNTS WILL BE GOVERNED BY THE REVISED CDAA. TO REVIEW ADDITIONAL DETAILS AND THE REVISED CDAA, VISIT MTB.COM/CDAA.

SKS Construction, Inc.
Work in progress as of August 31, 2021

Contract	Contract Amount	Change Orders	Total Contract	Estimated Job Cost	Completed To Date	% Complete	Balance To Finish	Retainage	Estimated Gross Profit	Profit of Job %	estimated date of completion
North Pointe Phase 1 A	\$ 300,814.80	\$ (18,600.00)	\$ 282,214.80	\$ 240,000.0000	\$ 222,523.20	74%	\$ 83,115.88	\$ 11,127.16	\$ 42,214.80	15%	10/31/2021
NSCBT	\$ 479,028.00	\$ 57,665.50	\$ 536,693.50	\$ 396,000.0000	\$ 536,093.50	100%	\$ -	\$ 53,669.35	\$ 140,693.50	27%	Finished
Fields Investment	\$ 141,966.75	\$ 7,720.00	\$ 149,686.75	\$ 112,000.0000	\$ 149,686.75	100%	\$ -	\$ 14,968.68	\$ 37,686.75	25%	Finished
Royal Farms	\$ 233,590.00	\$ 72,701.50	\$ 306,291.50	\$ 194,000.0000	\$ 306,291.50	100%	\$ -	\$ 30,629.15	\$ 112,291.50	37%	Finished
Kaesar Compressor building expansion	\$ 100,000.00		\$ 100,000.00	\$ 62,000.0000	\$ 71,039.00	71%	\$ 27,511.00	\$ 7,103.90	\$ 38,000.00	38%	9/25/2021
Meadows at Liberty Hall	\$986,455.00	\$ (145,000.00)	\$841,455.00	\$ 585,000.0000	\$ 537,993.04	63%	\$ 448,461.96	\$ 26,899.65	\$ 256,455.00	27%	10/31/2021
* payroll included/monthly operating cost not included *Monthly operating cost not included											
Work committed (not under contract yet)	Contract amount	Change orders	total Contract	Estimated Job Cost	Completed to date	% complete	Balance to Finish	Retainage 5%	Estimated Profit	profit of Job %	Estimated Start Date
Bill Britt Mazda	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ 800,000.0000	\$ -	0%	\$ 1,000,000.00	\$ -	\$ 200,000.00	20%	8/30/2021